



STATE SENATOR PAT KREITLOW

TESTIMONY BEFORE THE SENATE COMMITTEE ON EDUCATION

SENATE BILL 596 – ASSEMBLY 807 TRANSPORTATION AID TO SCHOOL DISTRICTS MARCH 24, 2010

Good morning, Chairman Lehman and Committee members. Thank you for convening today to hold this hearing on Assembly Bill 807 relating to transportation aid to school districts.

The ever-increasing cost of transportation is one of the many difficulties facing school districts in Wisconsin. Some districts, especially rural districts, spend a disproportionate amount of their budget on transportation and this means fewer dollars being spent in the classroom. While the state does provide some aid, state support only makes up about 7% of total transportation costs. To make matters worse, there is often a significant amount of unallocated transportation aid left at the end of a budget cycle. For instance, there will be an estimated \$2 million left at the end of the 2010-2011 fiscal year. Under current law, the Department of Public Instruction (DPI) lapses funds from this appropriation back into the general fund at the end of each year. And while lapses tend to represent the “found money” under the couch cushions to shore up the general fund, I believe it’s more appropriate to use budgeted money for the purposes the legislature originally intended.

Under this bill, beginning in the 2010–11 fiscal year, if there is a balance in the appropriation after DPI pays all approved claims, DPI must re-distribute the balance to school districts on a prorated basis.

The formula’s per-student reimbursement goes up as the distance travelled increases, meaning that the schools who need the additional help will get it, and that’s not a small number. For instance, there are currently over 290 school districts transporting pupils over 12 miles. Some of these districts have just a few students, some have hundreds; but it costs the same to drive a bus carrying 10 students as one carrying 50. And with a lot of 12-mile rides, the costs add up quickly, putting pressure on the already stressed property tax load in rural Wisconsin.

This bill also helps, in a small way, to deal with the unintended consequences of consolidation. One of the biggest factors in a district’s decision on whether or not to consolidate with a neighbor is the increased transportation cost. If consolidation makes sense in every area except transportation costs, then this bill can help ease that burden.

The key point is that this money was designated for student transportation aid and we should do everything we can to make sure it gets used for its intended purposed. And while this will not be windfall to any one district, every school board member or district administrator will tell you that every little bit helps, especially during these difficult times.

Again, I would like to thank the committee for holding this hearing. I look forward to working together to pass Senate Bill 596.

To: Senate Committee on Education
From: Jennifer Kammerud, Legislative Liaison
Date: March 25, 2010
Re: 2009 Senate Bill 596

The department is submitting this memo in support of Senate Bill 596 (SB 596).

SB 596 would allow the department to distribute any remaining balance in the transportation aid appropriation to school districts after approved claims have been paid.

Under current law, school districts are required to provide transportation services to public and private school pupils enrolled in regular education programs if the pupil resides more than two miles from the nearest public school they are entitled to attend. State pupil transportation categorical aid is based on a flat annual amount per transported pupil. Payments are based upon the distance a pupil travels to school from home.

<i>Mileage</i>	<i>Current Rate</i>
0-2 miles (hazardous)	\$15
2-5 miles	\$35
5-8 miles	\$55
8-12 miles	\$110
Over 12 miles	\$220

For the 2009-10 school year 420 of the 425 school districts received state aid for transporting 531,200 students. Just over 40,000 of those students were private school students. \$24.1 million were distributed to school districts for approved transportation aid claims out of the \$26, 337,300 appropriation.

It is estimated that the total school district transportation costs for transporting pupils to and from school is around \$280 million. Therefore, we estimate that state pupil transportation aid reimburses only nine to ten percent of actual transportation costs.

In recent years the department has been unable to spend the entire transportation aid appropriation due to the cap on per pupil rates, despite the fact that these rates represent a small percentage of district transportation costs. The department feels SB 596 would help address the budgetary pressures school districts face in covering the remainder of these costs.



School Administrators Alliance

Representing the Interests of Wisconsin School Children

TO: Senate Committee on Education
FROM: John Forester, Director of Government Relations
DATE: March 25, 2010
RE: Senate Bill 596 – School Transportation Aid

The School Administrators Alliance (SAA) strongly supports Senate Bill 596, relating to transportation aid to school districts.

Under current law, the Department of Public Instruction (DPI) must prorate state aid payments to school districts for transportation costs if the amount appropriated is insufficient to cover all eligible costs. Under SB 596, beginning in the 2010-11 fiscal year, if there is a balance in the appropriation after all claims have been paid, DPI must distribute the balance to school districts on a prorated basis.

In this environment of rising transportation costs, the current annual state appropriation of \$26,337,300 represents less than 7 percent of school district transportation costs statewide (currently over \$400 million annually). But, because of declining bus ridership and a fixed reimbursement formula, the school transportation appropriation is projected to lapse more than \$2 million to the general fund in 2009-10.

The current aid and reimbursement levels have a disproportionately negative impact on rural school districts (geographically large, sparsely populated). Rural districts may spend more than \$1,000 per student in annual transportation costs, while some urban and suburban districts spend less than \$100 per student. For years, rural districts have had to reduce their instructional budgets in order to pay for the transportation services required by state law.

At a time when school districts are cutting teaching staff and instructional programming in order to balance school budgets, it seems to me the least we could do is give DPI the authority to fully expend the school transportation aid appropriation.

We urge your support of SB 596. If you should have any questions regarding the SAA's support for SB 596, please call me at (608) 242-1370.

4797 Hayes Road, 2nd Floor • Madison, WI 53704 • (608) 242-1370 • Fax (608) 242-1290 • www.wsaa.org

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School Administrators

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Wisconsin Association of
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